

## **INTRODUCTION**

Catholic Social Services of Lenawee County (CSSLC) entered into contracts with the Michigan Family Independence Agency (FIA) to provide Youth Companion Maintenance services for children in FIA's Children's Protective Services, Foster Care, and Delinquency Programs. Children are referred for services by Lenawee County FIA workers. The contract numbers and amounts are CAN-97-46001-1 for \$644,929 and CAN-00-46001 for \$417,050.60. Collectively, these contracts cover the period October 1, 1998 through September 30, 2000. Both contracts are funded 100% by CFDA #93.667, Title XX Block Grant. CAN-97-46001-3 is a unit of service contract, and CAN-00-46001 is an actual cost reimbursement contract. Payment is made monthly by FIA, based on billings submitted by CSSLC.

## **SCOPE**

The Office of Internal Audit performed an audit of CSSLC to determine if they were complying with the terms of their contracts with FIA, and if systems, procedures and monitoring operations of CSSLC were in compliance with standards, policies and regulations as established by FIA and the Federal guidelines. Our audit covered the period from October 1, 1998 through April 30, 2000, and included a review of CSSLC's billing procedures, method of calculating units of service, and casefile documentation for services provided. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

## **EXECUTIVE SUMMARY**

Based on our audit, we concluded that billings submitted for contract #CAN 97-46001-3 were accurate and appropriate. However, we concluded that CSSLC billed FIA for costs that were not eligible for reimbursement under contract #CAN 00-46001. Our finding and recommendation follow.

## **CSSLC RESPONSE**

CSSLC responded through the mail and subsequent telephone conversations that they are in general agreement with the report.

## **FINDING AND RECOMMENDATION**

### **CAN-00-46001 Reconciliation**

CSSLC overbilled FIA \$36,610.33 for salaries of companions that should have been charged to a different funding source. These charges occurred during the period from 12/10/99 to 4/30/00. CSSLC staff discovered this error in billing, and disclosed the error to our auditor while he was on site.

WE RECOMMEND that Field Operations Administration initiate the process to recoup the over-billed amount of \$36,610.33.